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CONCORD, NH

Mr. James J. Barry, Commissioner  
Department of Welfare  
State House Annex  
Concord, New Hampshire

Attention: Robert Schaffer

Re: Elmer E. Morrill Closed OAA - Conway

Dear Mr. Barry:

This is in response to your request of March 7th for our opinion as to the right of the State to forestall pending proceedings by the Bridgton Finance Company to foreclose their mortgage on real estate owned by the above named former recipient. We understand that liens for assistance granted to the recipient were filed subsequent to the mortgage.

The principle question raised in your letter is one of usury. The loan was made in Maine at a rate of interest in excess of the New Hampshire small loan limits but valid under the Maine small loan law. You ask whether in view of the fact that the property securing the loan is located in New Hampshire the loan should be considered usurious and void.

The mortgage is merely a security device and the fact that the real estate in question is located in New Hampshire will not affect the intrinsic validity or invalidity of the note. With respect to the note itself it is generally held that if the agreement is valid under the law of one of the states it will be sustained in either.

Very truly yours,

Elmer T. Bourque  
Assistant Attorney General

ETB/T